



# BUDGET COMMITTEE



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## **PREPARED OPENING STATEMENT OF SENATE BUDGET COMMITTEE CHAIRMAN JUDD GREGG**

### **HEARING ON THE NOMINATION OF ROBERT J. PORTMAN, OF OHIO, TO BE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET**

Good morning. Today the Committee will be hearing from President Bush's nominee to succeed Josh Bolten as the Director of the Office of Management and Budget, Ambassador Rob Portman. The Committee is pleased to acknowledge two of our distinguished colleagues Senators Mike DeWine and Jim Bunning, who will introduce Ambassador Portman this morning. All three worked together for many years representing Ohio and Kentucky. Senator DeWine and Senator Bunning, we appreciate you taking the time to introduce the distinguished nominee.

When Director Bolten was here in February, I mentioned to him my belief that the Director of OMB may be one of the least well-known, but most important positions in the federal government. The federal budget is the "memo that controls the meeting." It is a statement of our priorities as a nation and guides appropriators on how to prudently and responsibly spend taxpayer money. OMB kicks-off that process every year by submitting the President's budget in early February, and by providing invaluable council during the budget debate. The Director of OMB plays a critical role in this process, a role that Director Bolten excelled in. While he has shifted his responsibilities to the West Wing, his service will be well remembered this by committee.

As we begin the process of confirming a new Director of OMB, let's consider the economic growth we have seen over the last several years. Since the tax cuts signed into law by the President in August of 2003, 5.3 million new jobs have been created. At 4.7%, the unemployment rate is lower than the average unemployment rate of the last four decades. Our nation's Gross Domestic Product grew at 4.8% in the first quarter of this year. Tax receipts for the first six months of this year are up more than 11 percent and year-to-date corporate tax revenue has nearly tripled since 2003. The President's policies are working and the economy is growing. The federal budget serves as the

blueprint for many of these successes and I hope we see similar economic growth policies continue in future budgets.

While our nation is experiencing a booming economy, it would be irresponsible to ignore the demographic event that in a very short few years will begin to overwhelm the ability of our nation to pay its long-term obligations while still funding its short-term priorities. Entitlement spending comprises a significant portion of our national budget, and will continue to grow at an alarming rate. Just last week the Social Security and Medicare trustees released their annual reports and the results underscored the critical need for action to reform these programs. The trustees reported that the Social Security system will be exhausted a year earlier than anticipated and the Medicare system two years earlier than anticipated. The Director of Office of Management and Budget will play a significant role in suggesting and carrying out reforms to these programs to ensure fiscal solvency.

In response to these challenges, I believe the President has nominated an excellent choice in Rob Portman. Ambassador Portman has done an outstanding job as the United States Trade Representative over the last year, and before that, excelled as a Congressman from the Second District of Ohio. His ability to reach across the aisle and his reputation as a consensus builder are well known, and his experience as Vice Chairman of the House Budget Committee will serve him well in this new role. He is well known for his work to create a comprehensive proposal to address unfunded federal mandate proposal and reform the IRS – both very worthy endeavors. Ambassador Portman, your resume is more than impressive and I hope the rest of the Committee joins me in calling for a speedy confirmation process so you can get to work at OMB. We thank you for being here today Ambassador Portman and the Committee looks forward to hearing your testimony.